

Medicare Rx Update: April 4, 2006

CMS Releases the 2007 "Call Letters"...

With a strong commitment to continuous quality improvement in the Medicare prescription drug program, CMS today issued instructions to and expectations of the prescription drug plans as the plans prepare their bids for 2007. In addition to operational enhancements Plans have made this year, CMS is requiring Plans to continue to streamline their Part D operations to avoid unnecessary administrative burdens on pharmacists and other providers and special attention will be paid to key operational areas which impact customer satisfaction and successful delivery of the benefit, including:

Effective Data Systems. CMS expects that successful plans will follow best practices for timely and accurate processing and verification of enrollment and co-pay information, particularly in the case of plans serving beneficiaries eligible for Medicare and Medicaid.

Effective Customer Service. CMS is conducting routine surveys to determine plan compliance with Part D standards concerning call abandonment rates and percentage of calls answered within 30 seconds. Complaint rates related to customer service are an important consideration for future participation by a plan.

Transition Guidance Compliance. In addition to providing the transition supply of non-formulary drugs for 30 days in the retail setting and 90 days in the long term care setting, PDP sponsors must also inform their enrollees of the following key information: (1) the transition supply is temporary, (2) enrollees need to work with their plan and physician to switch to a therapeutically appropriate on-formulary drug, (3) they have a right to request a formulary exception if they or their physician believe a non-formulary drug is medically necessary, and (4) how to access the exceptions and appeals procedures.

Strengthen Relationships with Providers through Avoiding Excessive Burdens in the Exceptions and Appeals Process. Sponsors should develop a "one stop" shopping area on their website that provides ready access to all of the transition, prior authorization, exception and appeals information and forms that enrollees and their providers need.

Strengthen Relationships with Pharmacists through Effective Pharmacy Support. PDP sponsors must comply with contractual agreements with their participating pharmacies. CMS has been and will continue to investigate and track pharmacists' complaints about plan compliance with their pharmacy contracts. PDP sponsors are also expected to implement best practices in pharmacy transactions, including the use of consistent transaction codes and secondary messages when a requested prescription fill is denied. Plans must comply with CMS guidance on co-branding, to ensure that beneficiaries receive accurate information about the broad range of pharmacies available to serve them.

CMS will review each PDP sponsor's compliance with all requirements of the program to determine whether contract renewal is warranted. While many plans are performing well or are achieving significant improvements in key areas of beneficiary service and support, CMS may consider non-renewal if there has been a substantial failure to comply with program requirements. To read the CMS fact sheet for additional information click here <http://www.cms.hhs.gov/apps/media/press/release.asp?Counter=1826>. A full copy of the Call Letter may be found at <http://www.cms.hhs.gov/PrescriptionDrugCovContra/>.